

SECTION VI

SAVINGS

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Red Crown Federal Credit Union
Policy Manual
Section VI – Savings

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A. Truth in Savings Policy

1. It is the policy of this credit union to provide members and potential members with the most accurate, up-to-date information possible regarding our products as required by the Truth-In-Savings Act.
2. We will ensure that both existing and potential members are provided with account disclosures, either at account opening, at the request of the member/potential member or through separate mailings. Disclosures will include all terms applicable to a given account, including dividend rate, annual percentage yield, balance and time requirements, fees and penalties.
3. Our members will be provided notice of any change in these terms in advance of the effective date of the change and on a periodic basis, a statement detailing dividends and annual percentage yield earned and the fees imposed.
4. This Credit Union will ensure that each advertisement is fully reviewed for compliance by our compliance officer according to our established advertising policy.

B. Objectives

1. Red Crown Federal Credit Union will encourage systematic share savings from all members.
2. Red Crown policies will encourage member thrift.

C. Membership Share Accounts

1. There will be a minimum of a \$5.00 balance required to be a member of the Red Crown Federal Credit Union.
2. No limit exists for amounts that may be deposited.
3. Dividends on share accounts with balances of \$100 or more will be declared and paid quarterly in accordance with regulations. The dividends will be calculated daily from the date of deposit to the date of withdrawal. If the account is closed prior to the end of the quarter, no dividend will be paid.

D. Dividends

1. ***Dividends will be paid on share accounts, as well as certain share draft accounts.*** The rate will be recommended by the Asset/Liability Committee and approved by the Board of Directors.
2. When the percent of total reserves to total assets exceeds ten percent (10%), the Asset/Liability Committee will review for adjustment of rates. This is to maintain an objective of reserve to asset ratio remaining near ten percent (10%).

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3. Dividends will begin to accrue on the business day cash or non-cash items are deposited.
4. Dividends will begin to accrue on electronic deposits the business day on which Red Crown receives credit for the funds. (Reg CC Sec. 229.14)

E. Savings Certificates

Red Crown will provide a savings certificate program for member investment needs.

1. Rates for various terms and conditions of certificates to be issued are subject to change on a daily basis as determined by management.
2. Certificates may be opened with a minimum initial deposit of \$500.
3. Certificate dividends are compounded daily and may be paid monthly, quarterly, or at the term of the certificate in the form of a check or deposit to regular share or share draft accounts to the account of which the certificate resides. Dividends may be added to the principal at maturity of the certificate upon renewal.
4. Early withdrawal penalties for certificates of deposit are as follows:
 - a. 30 days dividends on certificates with terms of one year or less.
 - b. 60 days dividends on certificates with terms of greater than one year and up through two years.
 - c. 90 days dividends on certificates with terms greater than two years.

Penalties may be waived on withdrawals from existing certificates in the event of death of any owner(s) of the certificate with certificate dividends paid to date.

F. Share Drafts

1. Red Crown offers share draft accounts to members. Fees associated with each type are itemized in Section "XII" Appendix B "Share Draft Fees and Service Charges."
2. The dividend rate will be reviewed and presented by Management to ALCO and the Board of Directors. Any change will be effective following the quarter the change is made and will remain in effect for subsequent months until changed or revoked. Dividend rates on Share Draft Accounts will be paid on the daily balance and credited to the account on the last day of each month unless the account is closed within the dividend period.
3. A minimum deposit of \$50.00 is required to open a share draft account.
4. Share draft accounts are exempt from monthly service charges for the first

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calendar month the account is opened.

5. Debit Card with Automatic Teller Machine (ATM) access is available to qualifying members. See Section XII, "Fees and Service Charges."
6. Share drafts are available to members through approved vendors.

G. Overdraft Protection

Red Crown offers overdraft protection through automatic transfers from share accounts as well as overdraft lines of credit. Red Crown also offers an Optional Overdraft Privilege Service (OOPS). Insufficient items will be paid using any available overdraft protection first, and secondly using any amounts available through OOPS.

H. Optional Overdraft Privilege Service (OOPS)

Red Crown Federal Credit Union is not obligated to pay any item presented for payment if the account does not contain sufficient collected funds. However, if the account meets qualifying criteria, Red Crown Federal Credit Union may, at its sole discretion pay the overdrafts as a non-contractual privilege. The qualifying criteria includes (a) Member is at least 18; (b) Account has been open at least two months; (c) At least \$500 has been deposited in the account over the last 180 days; (d) Member does not have any loans delinquent 30 days or more (e) Account is not flagged deceased, bankrupt, dormant or bad address. This service will be called "Optional Overdraft Privilege Service (OOPS)."

Total overdraft privilege advances shall not exceed 1% of the credit union's capital. This limit includes any NSF fees.

"OOPS" may be revoked by Red Crown Federal Credit Union at any time, at its discretion, even though overdrafts had previously been paid. Red Crown Federal Credit Union has no obligation to notify the member before it pays or returns an item. However, members may set up account alerts through online banking to be notified when an account balance falls below a certain amount, or when a fee has been charged to the account. The amounts of any overdrafts, plus any applicable fees, are due and payable on demand. If Red Crown Federal Credit Union pays an overdraft on an account with more than one (1) owner on the signature card, each owner is jointly and severally liable for such overdrafts, plus applicable fees. Collection steps will be taken on accounts whose negative balances exceed thirty (30) calendar days. If no payments or deposits are received in 45 calendar days, the account could be charged-off.

"OOPS" is available on personal and business share draft accounts. Red Crown Federal Credit Union may limit the number of accounts eligible for "OOPS" to one per household.

Red Crown Federal Credit Union has established OOPS limits for share draft accounts. The limits are:

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\$500 for all share draft accounts.

Individual limits may be increased, with officer approval, to \$750 or \$1000. All limits include any OOPS fees.

A per item fee determined by the Board of Directors and disclosed in the rate and fee schedule will apply for each insufficient item whether it is paid or returned. No fee will be charged for the payment of any insufficient ATM withdrawal or every day debit card transaction unless the member has authorized Red Crown to pay overdraft ATM and debit card transactions by opting-in as required by Regulation E.

Overdraft Privilege Disclaimer:

Red Crown Federal Credit Union's Overdraft Privilege plan is non-contractual and discretionary. It is not a Red Crown Federal Credit Union obligation and Red Crown Federal Credit Union may refuse to provide the service on any share draft account at any time and from time to time. The member does not have a contractual right to overdraft privilege, nor is it guaranteed by the Overdraft Privilege plan.

I. Returned Checks

1. Returned checks may be re-deposited or deducted from members account with a handling fee. See Section XII, Appendix A, "Fees and Services Charges."
2. Members will be charged a returned check charge fee at the time the check is debited from the member account. See Section XII, Appendix A, "Fees and Service Charges."

J. Closing Share Draft

A member share draft account may be closed, with approval from management, if it is handled in a manner which jeopardizes the reputation of Red Crown Federal Credit Union or its members.

K. Individual Retirement Accounts (IRA's)

1. IRA and spousal IRA Accounts, Roth and Education IRA accounts are available to Red Crown members with the following terms and conditions:

Minimum Initial Deposit/Balance	\$500.00
Minimum Additions	10.00
Fees - One Time Set Up Charge	None
Annual Maintenance Fee	None

2. IRA accounts may be comprised of investments in an IRA share account and /or IRA Certificate(s) similar in nature to terms and conditions of those offered under

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Red Crown share certificates. Actual terms and rates to be set by management and subject to change daily.

3. IRA certificate dividends will be calculated daily and compounded on a quarterly basis
4. IRA investments in IRA certificates will incur early withdrawal penalties as defined under the Red Crown share certificate program.
5. The IRA share accounts will earn dividends based upon a rate recommended by the Asset/Liability Committee and approved by the Board of Directors. The interest rate will be adjusted on the first day of each calendar quarter, and the interest earnings will be paid and compounded quarterly. Dividends will be calculated from the date of deposit to the date of withdrawal.

L. Trust Accounts

1. Trust accounts may be established by Red Crown members as grantors or trustees of a trust under the following type of accounts:
 - a. Payable on Death
 - b. Totten Trusts
 - c. Revocable Trusts
 - d. Personal Representatives
 - e. Guardians
 - f. Conservators
 - g. Custodians for Minors
2. Red Crown will not retain a copy of a Trust Agreement.
3. Letters of trust or agreements furnished to Red Crown will govern the naming of the trust accounts. Red Crown has the right to request the trust agreement if needed.
4. Red Crown will not act as administrator or trustee on trusts or custodial accounts.

M. Dormant Accounts

1. A dormant account is defined as an account without a member financial transaction during any one-year period.
2. Dormant accounts will require supervisory approval for reactivation.
3. A dormant account with current address is not subject to fees or escheatment.

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4. An inactive account is a member account without activity for a period of at least one (1) year and having returned mail or no forwarding address.
5. Inactive accounts will require supervisory approval for reactivation.
6. Inactive accounts will be tracked by the accounting department for compliance with the Oklahoma escheat laws.
7. Inactive accounts with aggregate balances of \$500 or less will be charged a monthly fee of \$5.00 as long as they remain in an inactive status.

N. Business Accounts

Red Crown will provide share and share draft services for businesses. The following conditions must be met at the time of account opening.

1. A Resolution of Authority must be signed by the owner and authorized signer(s).
2. The account name should be reflective of the business service being conducted; for example, Jane Smith, DBA Smith Financial Services or Smith Financial Services, Inc.
3. New accounts requesting share draft services require verification from ChexSystems. Personal accounts must be in "good standing" before a Business share draft will be opened for existing members.
4. Debit Cards will be issued on the Business account. The card will be issued in the name of the business and the owner.
5. Small business and commercial share draft accounts are subject to the Business Account pricing structure.
6. Unlawful Internet Gambling Enforcement Due Diligence. All business account agreements will contain a provision that restricted transactions (i.e., unlawful Internet transactions) are prohibited from being processed through the account or member relationship. At account opening it will be determined whether the business member engages in unlawful Internet gambling.
 - a. Red Crown may deem the following business members to present minimal risk of engaging in an Internet gambling business:
 1. An entity directly supervised by a federal functional regulator;
 2. An agency, department or division of the federal government or state government.
 - b. If Red Crown cannot determine whether the business account poses a minimal risk of engaging in an Internet gambling business, the following will be obtained:

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1. Certification from the business member that it does not engage in an Internet gambling business;
2. Evidence of legal authority to engage in the Internet gambling business, if the business member does engage in an Internet gambling business, such as:
 - i. A copy of the business member's license that expressly authorizes the business member to engage in the Internet gambling business issued by the appropriate State or Tribal authority or, if the business member does not have such a license, a legal opinion that demonstrates that the business member's Internet gambling business does not involve restricted transactions; and
 - ii. A written commitment by the business member to notify the participant of any changes in its legal authority to engage in its Internet gambling business; and
 - iii. A third-party certification documenting the business member's systems for engaging in the Internet gambling business are reasonably designed to ensure that the business will remain within licensed or otherwise lawful limits.
- c. Check Collection. When Red Crown has actual knowledge that a business member has deposited checks that are restricted transaction, such as when it is notified by a government entity, such as law enforcement or a regulatory agency, or that a foreign banking office has sent checks to Red Crown that are restricted transactions, Red Crown will do the following:
 1. Notify the COO;
 2. Send a letter to the foreign banking office with notification that a restricted transaction was processed;
 3. Determine whether check collection services for the member should be denied and determine whether the member's account should be closed.

O. Club Account

1. The Club Account is designed for members who want to save for a specific purpose, such as Christmas, vacation or yearly taxes.
2. Club Accounts are opened with a minimum of \$25.00 deposit. Deposits cannot exceed \$500.00 per month.
3. Two withdrawals can be made from the account at any time during the calendar year. Any withdrawal in excess of two will result in a \$5.00 withdrawal fee.

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4. Dividend rates are declared and paid quarterly. Dividends are not paid on accounts closed during the quarter.

P. Share Account for Minors

1. Red Crown will offer a savings account for members age 12 years and younger.
2. A minimum share deposit of \$5.00 is required to open a share account for a minor.
3. No limit exists for amounts that may be deposited.
4. Dividends on share accounts with balances of \$1.00 or more will be paid quarterly in accordance with regulations. The dividends will be calculated daily from the date of deposit to the date of withdrawal. If the account is closed prior to the end of the quarter, no dividend will be paid.

Q. Money Market Accounts

1. Money Market Share Accounts are available to Red Crown members.
2. Accounts are subject to higher minimum balance levels than other share draft accounts.
3. Account balances below the required minimum will be subject to a monthly maintenance fee.
4. During any month, six withdrawals may be made without a charge. Three of the six may be made by check, draft or similar order to a third party.
5. An excessive withdrawal fee will be charged for each withdrawal in excess of the monthly limit.